up to its standard for a competitive market. A few pertinent statistics, however, reveal that AT&T's view is not credible. For example, since the introduction of competition, ENTEL's share of the international market to key destinations has dropped from 100% less than two years ago to 20% - 30% today. For the U.S. market in particular, whereas ENTEL carried nearly 1.2 million minutes of international traffic between Chile and the U.S. in May 1992, it now carries approximately one-fifth of that amount. See Attachment A. To the extent that AT&T might claim that the current indirect minority ownership interests of Telefonica de España ("Telefonica") in both ENTEL-Chile and CTC, the dominant local exchange courier in Chile, might pose anti-competitive dangers, the facts also belie this notion. Since mid-1992, ENTEL's share of the traffic on the route between Chile and Spain (where Telefonica is a monopoly) has dropped dramatically, so that ENTEL now has only about 20% of this market. See Attachment B.

Finally, foreign companies are being formally encouraged to invest and participate in the Chilean telecommunications services market. Just recently, for example, CIDCOM Larga Distancia, S.A., a company 100 percent-owned by BellSouth, applied to the Chilean government for authority to establish a new international and domestic long distance carrier

in that country. See Attachment C, "Bell South seeks to Provide Long Distance in Chile," Telecommunications Reports, November 1, 1993, at 38, and a description of the application from Diario de la Republica de Chile (the Chilean equivalent of the U.S. Federal Register). There are no regulatory barriers to the grant of this application and, indeed, the application is expected to be granted. Nor will grant of this application constitute the first instance of entry by a U.S. company into the telecommunications market in Chile. Through CIDCOM, BellSouth already owns a 20,000 subscriber cellular telephone system there, and Motorola, Inc. owns a 66.7% stake in another cellular system. See also Attachment D (listing these and other foreign telecommunications ventures in the Chilean market). In addition, a recent article in Communications Week International reports that Banco do Brasil, S.A. has chosen Santiago, Chile as the South American hub for a new voice, data, and facsimile network, and that it selected this location "because of the level of network competition there." See Robert Preston, "Bank Plots Global Net," Communications Week International, October 11, 1993 (attached hereto as Attachment E). Clearly, reality is at odds with AT&T's bare declaration that competitive opportunities are lacking in Chile.

IV. CONCLUSION

Rather than improving the current mechanism for considering applications by foreign carriers seeking entry into the U.S. market, AT&T's proposals seem calculated to saddle all such applicants with unnecessary filing requirements that will only delay the implementation of service. There is no countervailing benefit to this delay, as the rigid requirements proposed by AT&T would not appear to provide the Commission with any greater ability to decide such cases than under the current case-by-case approach. Finally, to the extent that AT&T specifically discusses the state of the Chilean telecommunications marketplace, its assertions lack substance and its conclusions regarding the competitiveness of the market are erroneous.

Thus, ENTEL B.V.I. respectfully requests that the Commission decline to issue a Notice of Proposed Rulemaking in response to the AT&T Petition.

Respectfully submitted,

ENTEL INTERNATIONAL B.V.I. CORPORATION

By: _____

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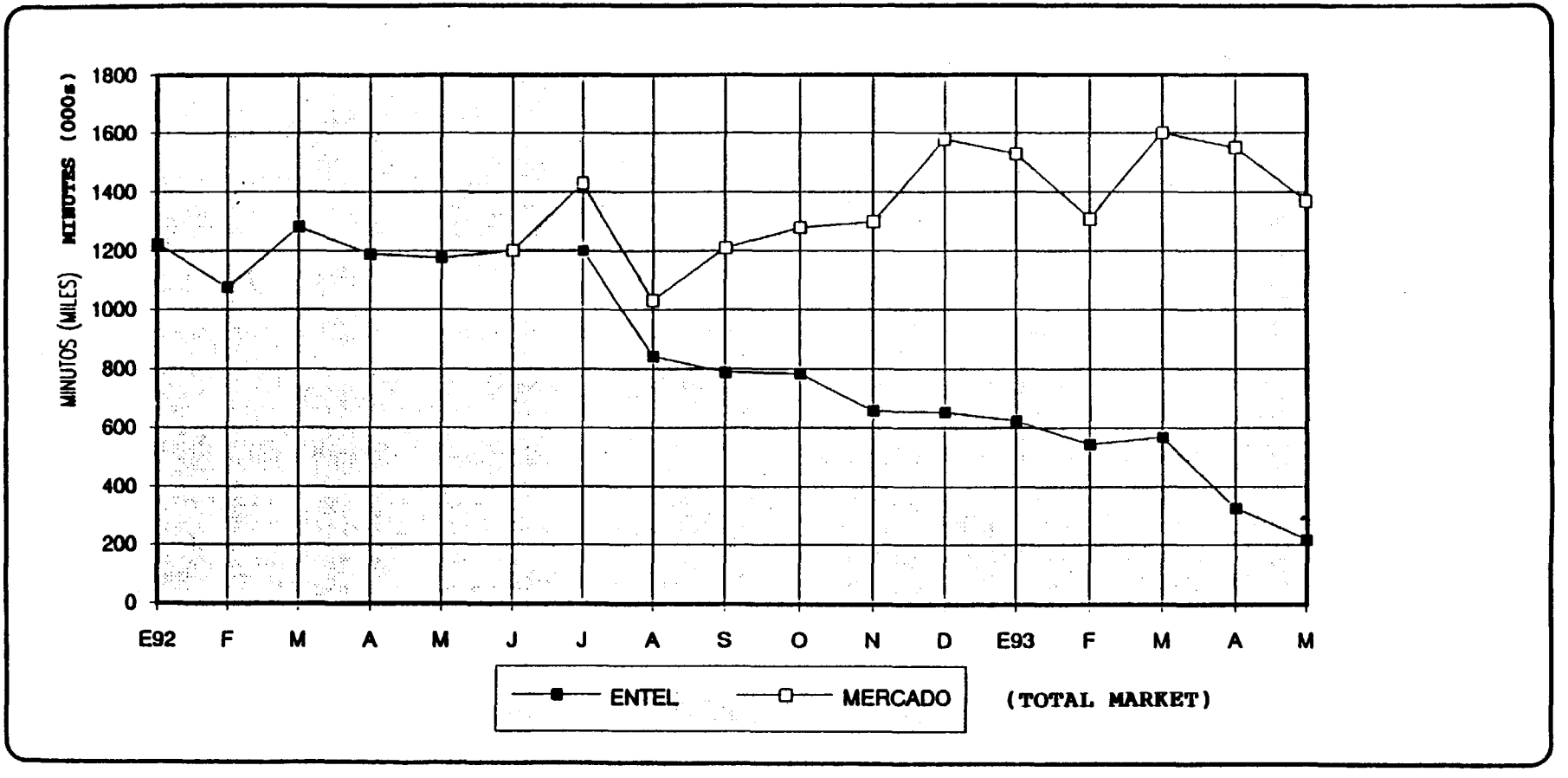
November 1, 1993

Its Attorneys

ATTACHMENT A

INTERNATIONAL DIRECT DIAL TRAFFIC -- CHILE TO USA

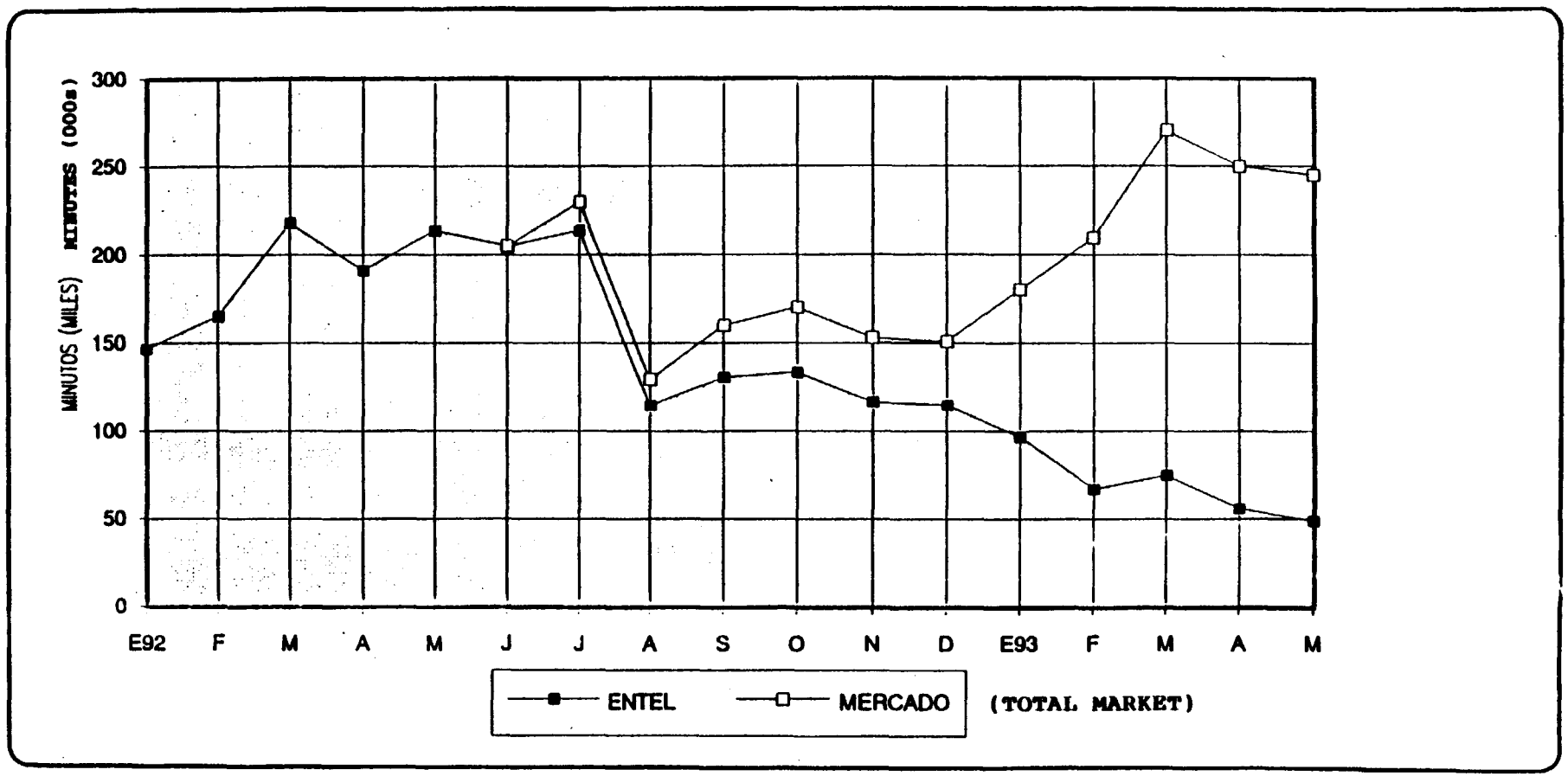
DISCADO DIRECTO INTERNACIONAL
TRAFICO DE SALIDA CON DESTINO A USA



ATTACHMENT B

INTERNATIONAL DIRECT DIAL TRAFFIC -- CHILE TO SPAIN

DISCADO DIRECTO INTERNACIONAL
TRAFICO DE SALIDA CON DESTINO A ESPAÑA



ATTACHMENT C

Transnational Telecom, Simplex Join to Build Aloha Cable

Transnational Telecom Ltd. of Washington last week announced an agreement with Simplex Ocean Systems, a division of Simplex Wire and Cable Co., to form an equal partnership to implement and operate the Aloha submarine cable project linking the West Coast to Hawaii. Transnational was authorized by the FCC to construct the Aloha domestic cable system in 1989. It decided in 1991 to boost the originally planned capacity to 2.5 gigabits per second (TR, March 11 and Sept. 2, 1991). Under the agreement with Simplex, Transnational now plans to construct Aloha with one operating fiber pair with a capacity of 5 gbps and a standby fiber pair with a similar capacity.

Transnational Chairman Konnie Schaefer noted that Simplex is the world's "largest producer of transoceanic fiber optic cable." Simplex President Peter Bergeron said the Aloha project "is a natural extension of our current business that allows Simplex to broaden its scope beyond our traditional manufacturing role." Transnational has agreements with Pacific Telecom Cable, Inc., for landing sites in Oregon and a memorandum of understanding with GTE Hawaiian Telephone, Inc., for landing Aloha in Hawaii and interconnecting with GTE Hawaiian's local network. Simplex is a subsidiary of Tyco Laboratories, Inc. ❑

France Telecom Helps Plan Russian Network Project

France Telecom announced last week that it has signed a cooperative agreement with Russian national and international telecom operator Rostelecom to develop a national and international long distance and local digital network in the Russian Federation. France Telecom said the agreement covered its "projected participation in a new joint company in which foreign operators and investors would hold minority interests" and Rostelecom would retain majority ownership. The project, known as "50X50," calls for development of a digital overlay network linking the major cities of the Russian Federation by the year 2005. France Telecom said it and Rostelecom are working on a strategic plan to define the technical and economic parameters of the project.

The project's name reflects the ambitious goal of laying 50,000 kilometers of digital long distance lines and building about 50 intercity transit centers. It also includes urban and rural subscriber switching exchanges. Deutsche Bundespost Telekom previously said it signed a similar memorandum of understanding to cooperate on development of the digital overlay network in Russia. Other potential participants cited in recent reports include U S WEST International. A spokeswoman in London said U S WEST is not a participant in the project yet. But she added that Rostelecom is a partner in other ventures with U S WEST and said, "We may become involved with this at some point." ❑

BellSouth Seeks to Provide Long Distance in Chile

A new BellSouth Corp. subsidiary in Chile, Cidcom Larga Distancia, has petitioned the Chilean government for a concession to build and operate a long distance network. BellSouth's Cidcom Cellular affiliate in Chile already provides cellular telephone service in the metropolitan region of Santiago and the Valparaiso and Vina del Mar regions (TR, Sept. 16, 1991). BellSouth said it would invest about $50 million over the next two years to build a long distance network of satellite, microwave, and fiber optic facilities. It said it could construct a network and begin offering long distance services by the middle of next year.

Three companies already are licensed to provide long distance service in Chile. BellSouth said it would compete aggressively by offering high-quality transmission, competitive prices, and superior customer service. "We are confident the Chilean government will award us the concession," said Gerson Echevarria, General Manager of both Cidcom Larga Distancia and Cidcom Cellular. ❑

Se ha recibido en la Subsecretaría de Telecomunicaciones una solicitud (SP-93/108), presentada por la empresa CIDCOM LARGA DISTANCIA S.A., RUT. Nº 96.672.160-K, con domicilio en Avenida El Bosque Norte Nº 0134, comuna de Las Condes, Región Metropolitana, en el sentido de obtener concesión de Servicio Intermedio de Telecomunicaciones, a objeto de instalar, operar y explotar un sistema compuesto por medios de transmisión satelital y de radiocomunicaciones en la banda SHF (microondas) y por un nodo de conmutación.

Básicamente, el sistema estará formado por dos estaciones terrenas, en el sector de Placilla en las inmediaciones de Valparaíso; por una red de diecisiete estaciones terrenas SHF de microondas, que cubrirá las principales ciudades de la Región Metropolitana y de la V Región y por un nodo de conmutación en la capital, Santiago.

CARACTERISTICAS TECNICAS

Nodo de Conmutación

- Tecnología : Digital, con control por programa almacenado.
- Capacidad : - Inicial : 3.000 erlangs.
  - Final : 27.000 erlangs.
- Ubicación : Calle Lota Nº 2267, Providencia, Región Metropolitana.

Estaciones Terrenas

Frecuencia de operación : Transmisión : 5.925 a 6.425 MHz.
Recepción : 3.700 a 4.200 MHz.

Potencia máxima : 700 y 400 Watts para 18 y 11 mts. de diámetro, respectivamente.

Sistema radiante : Antenas parabólicas:
* Standard A : - Ganancia máxima: 60,4dBi.
  - Diámetro: 18 mts.
* Standard B : - Ganancia máxima: 55,0dBi.

Bienagas	Cerro Bienagas, Limache, V Región.	32°58'07" S 71°15'02" W
Con Con	El Mirador, Quintero, V Región.	32°53'12" S 71°29'13" W
La Calera	Cerro Calera, La Calera, V Región.	32°48'39" S 71°11'30" W
Llay-Llay	Cerro Las Banderrias, Llay-Llay, V Región.	32°49'36" S 70°53'00" W
La Giganta	Cerro La Giganta, San Felipe, V Región.	32°45'54" S 70°46'00" W
Los Andes	O'Higgins Nº 630, Los Andes, V Región.	32°50'00" S 70°35'42" W
Placilla	Placilla, Valparaíso, V Región.	33°05'51" S 71°34'21" W

El sistema radiante de cada radioestación será el siguiente:

Radioestación Origen	Azimut	Ganancia Antena (dBi)	Altura Antena Nivel del Mar (m)	Radioestación Destino
Providencia	242°15'32"	45,1	635	Vizcachas
Vizcachas	62°16'59"	45,1	882	Providencia
Vizcachas	282°41'20"	47,5	876	C. Barriga
C. Barriga	102°53'20"	47,5	714	Vizcachas
C. Barriga	293°45'11"	47,5	714	T. Zapata
T. Zapata	113°56'46"	47,5	1.170	C. Barriga
T. Zapata	239°12'53"	45,1	1.178	S. Antonio
S. Antonio	60°02'38"	45,1	152	T. Zapata
T. Zapata	317°10'50"	45,1	1.176	Lo Vásquez
Lo Vásquez	137°06'00"	45,1	555	T. Zapata

CONTINUA EN HOJA (2)

- Diámetro: 11 metros.

Ubicación : Sector de Placilla, V Región.
Coordenadas geográficas : 33°05'51" Latitud Sur.
71°34'21" Longitud Oeste.

Estaciones Terrenales

- Tecnología : Digital.
- Bandas de frecuencias : 13 y 18 GHz (SHF).
- Potencia máxima transmisores : 650 miliwatts.
- Velocidad de transmisión : - 34 Mb/s para 13 GHz.
  - 140 Mb/s para 18 GHz.
- Tipo de emisión : - 17M2G7WET para 13 GHz.
  - 34M8D9WPT para 18 GHz.
- Configuración : 1 + 1.

La ubicación y coordenadas geográficas de las estaciones terrenales será la siguiente:

Nombre	Ubicación	Coordenadas Geográficas
Providencia	Lota Nº 2267, Providencia, Región Metropolitana.	33°25'13" S 70°36'20" W
Vizcachas	Cerro La Ballena, Puente Alto, Región Metropolitana.	33°36'08" S 70°32'36" W
Cuesta Barriga	Cima Cuesta Barriga, Región Metropolitana.	33°31'48" S 70°55'30" W
Túnel Zapata	Cerro La Palmilla, Curacaví, V Región.	33°24'03" S 71°16'25" W
San Antonio	Cerro Centinela, San Antonio, Región Metropolitana.	33°33'30" S 71°35'30" W
Lo Vásquez	Cerro Flora, Lo Vásquez, V Región.	33°12'57" S 71°28'42" W
Alto del Puerto	Cerro Alto del Puerto, Valparaíso, V Región.	33°04'51" S 71°37'24" W
Agua Santa	Calle Sur Nº 560, Viña del Mar, V Región.	33°02'37" S 71°33'37" W
Valparaíso	Bellavista Nº 168, Valparaíso, V Región	33°01'58" S 71°38'27" W
Viña del Mar	Valparaíso Nº 585, Viña del Mar, V Región.	33°01'11" S 71°33'08" W

Lo Vásquez	317°59'46"	45,1	555	A. Del Puerto
A. Del Puerto	139°17'24"	47,5	520	Lo Vásquez
A. Del Puerto	58°45'36"	45,1	519	Agua Santa
Agua Santa	234°49'25"	35,4	339	A. Del Puerto
A. Del Puerto	111°17'38"	38,7	530	Placilla
Placilla	291°15'58"	38,7	432	A. Del Puerto
Agua Santa	273°32'24"	35,4	325	Valparaíso
Valparaíso	93°32'27"	35,4	30	Agua Santa
Agua Santa	16°24'04"	35,4	340	Viña del Mar
Viña del Mar	196°18'28"	35,4	48	Agua Santa
Agua Santa	74°03'00"	35,4	339	Bienagas
Bienagas	253°52'55"	47,5	608	Agua Santa
Bienagas	292°22'34"	47,5	608	Con Con
Con Con	112°24'36"	47,5	103	Bienagas
Bienagas	17°25'04"	47,5	608	La Calera
La Calera	93°33'50"	45,1	789	Bienagas
La Calera	102°58'30"	45,1	790	Llay-Llay
Llay-Llay	273°23'49"	45,1	537	La Calera
Llay-Llay	57°59'24"	45,1	539	La Giganta
La Giganta	237°55'37"	45,1	1.565	Llay-Llay
La Giganta	115°23'12"	45,1	1.562	Los Andes
Los Andes	194°43'48"	45,1	838	La Giganta

El proyecto se desarrollará en dos etapas, cuyos plazos máximos se indican en la memoria técnica; sin perjuicio de lo anterior, los plazos máximos totales para la implementación del sistema serán:

Inicio de Obras : 19 meses.
Término de Obras : 29 meses.
Inicio del Servicio : 30 meses.

Todos estos plazos están referidos a la fecha de publicación en el Diario Oficial del Decreto que otorgue la respectiva concesión.

La presente publicación se hace de acuerdo a lo dispuesto en el Artículo 15º de la Ley Nº 18.168 (Ley General de Telecomunicaciones) a objeto de que las personas naturales o jurídicas cuyos intereses sean directa y efectivamente perjudicados por la concesión que se solicita, en un plazo no mayor de 30 días a contar de la presente publicación, formulen las observaciones a la solicitud, en relación con los aspectos específicos que les puedan afectar.- Subsecretario de Telecomunicaciones.

ATTACHMENT D

FOREIGN INVESTMENTS IN CHILEAN TELECOMMUNICATIONS

Compania de Telefonos de Chile (CTC)

Services:
- Local Telephony -- approximately 1,200,000 lines covering 95 percent of the total lines in country
- Long Distance Telecom services
- Value Added Services
  International Long Distance (recently approved)

Foreign Investor: Telefonica de Espana (43.6%)

Empresa Nacional de Telecomunicaciones (ENTEL-Chile)

Services:
- Domestic and international long distance
- Business Services for large clients
- Packet Switched Service (X.25)

Foreign Investors:
- Telefonica de Espana (20%)
  (likely to be sold to U.S. carrier)
- Chase Manhattan Bank (11.7%)
- Banco de Santander (10%)

VTR Telecomunicaciones

Services:
- International Long Distance
- Packet Switched Services
- Telex

Foreign Investor: Italcable (35%)

CID-COM

Services:
- Cellular telephony (appx. 20,000 subscribers)

Foreign Investor: BellSouth (100%)

VTR Celular

Services: • Cellular Telephony (appx. 8,000 subscribers)

Foreign Investor: Millicom (50%)

Telecom Celular

Services: • Cellular Telephony (appx 8,000 subscribers)

Foreign Investor: Motorola, Inc. (66.7%)

Satel Telecomunicaciones

Services: • IBS
• V-Sats services

Foreign Investor: Comsat (50%)

ATTACHMENT E

Bank Plots Global Net

Frame Relay To Handle All Traffic

By Robert Preston

BRASILIA—Banco do Brasil SA is building a voice, data and facsimile network that will interconnect 37 branches in four continents and the state-owned bank's headquarters in Brasilia using frame relay technology.

The network will give Banco do Brasil sites abroad the same access to the bank's BBnet Systems Network Architecture data communications network in Brazil as its 2,500 domestic branches now have, said project manager Ricardo Ventura Dias, an assessor in the bank's technology unit.

Previously, branches abroad exchanged information with one another and headquarters mostly by fax or phone call, over the public network, Ventura said. The extension of BBnet's electronic mail system alone should save Banco do Brasil tens of thousands of dollars monthly on such costs, he said. Some 30,000 domestic employees now use the bank's E-mail network.

BBnet also carries export transaction, accounts settlement, exchange rate and other bank data, including information pertaining to the bank's role as financial agent for the Brazilian government.

Frame Relay Twist

Frame relay, a technology developed for data, is increasingly being used for voice and fax.

Banco do Brasil is installing MS-1000 frame relay switches and ACTnet SDM-FP access multiplexers supplied by Advanced Compression Technology Inc., of Simi Valley, California, at each of its sites connected by a leased line.

Each 64-kilobit-per-second link consists of four compressed voice channels of 8 kbps each; 19.2 kbps is reserved for data and 9.6 kbps for fax.

Voice gets priority. If the network is not using all the bandwidth for data, the multiplexers automatically allocate the extra bits for voice.

According to ACT, the switch overcomes jitter or delay problems that occur when voice is transported in packets or frames. The company's "jitter buffer" holds out-of-sync voice frames from 15 to 60 milliseconds, until they can be delivered in a consistent stream. So voice comes over with little degradation.

The network consists of a central hub in New York and regional hubs in Santiago, London and Tokyo, in addition to corporate headquarters in Brasilia. Each hub is connected by a 64-kbps leased line; access lines are either 64 kbps or 56 kbps. The smallest offices must dial into the network with modems supplied by Penril Datacomm Networks Inc., of Gaithersburg, Maryland.

EDWARD ATIAN

Ventura: Chose New York as main hub for the Brazilian bank's network.

Banco do Brasil chose New York as its main hub, rather than a site in South America, because of the price and service advantages afforded by carrier competition, Ventura said. The bank's U.S. carrier is MCI Communications Corp.

Likewise, the bank considered Buenos Aires for its South American hub, but opted for Santiago because of the level of network competition there. A 64-kbps digital circuit between New York and Buenos Aires would have cost twice as much as one between New York and Santiago, and would have taken at least a year longer to secure, Ventura said.

All traffic into the Santiago hub—from offices throughout South and Central America—is funneled through New York to reach headquarters and BBnet.

"These are the problems of South America. We need digital circuits," Ventura said. "There are more facilities to connect Santiago to New York than to connect Santiago to Brasilia."

The entire network is to be completed by the end of this year. While all traffic will be able to transit the New York hub, the bank is installing a leased line between London and Brasilia for backup. The MS-1000 switches can dynamically reconfigure the network to route around failed backbone circuits.

The bank plans to upgrade the inter-hub circuits to 128 kbps within six months, Ventura said.

Banco do Brasil is also setting up local area networks in its largest offices and integrating them into the frame relay network.

For instance, the bank now has an IBM Token-Ring LAN in each of two New York offices, which are connected by Cisco Systems Inc. routers over a 56-kbps circuit and hooked into the international network.

"It's a huge cultural change for the people in New York," said Ricardo Romeiro De Oliveira, deputy general manager of the branch's administration department. "All the PCs, everything in Windows, can access the AS/400 in New York, the BBnet in Brasilia, everything automatically with the click of an icon."

Meanwhile, a user on a terminal in Chicago, Singapore, Vienna or any other remote site can get the same access.

Other Projects

In all, Banco do Brasil is undertaking a three-pronged network expansion.

Besides the international network, the bank is installing a very small aperture terminal network to connect those domestic sites to BBnet that do not have leased-line access. Banco do Brasil has tendered for equipment and expects to start building the VSAT network next year, to be completed in 1995.

It also plans to install Brazil's largest PBX, a 10,000-line unit, at its headquarters by the end of this year, Ventura said. The PBX is to be tied into a seven-building site linked by fiber optic cable.

COMMUNICATIONS WEEK INTERNATIONAL, October 11, 1993

CERTIFICATE OF SERVICE

I, Kaigh K. Johnson, hereby certify that on this 1st day of November, 1993, a copy of the foregoing "Opposition to Petition for Rule Making" was mailed by U.S. first class mail, postage prepaid, to the following parties:

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